



April 1, 2005

TO: Robert A. Schroeder, Chair
EQB (Tel: 651-296-3391)

FROM: George Edwin Johnson
EQB Staff, (Tel: 651-296-2888)

RE: EQB Staff Recommendation on Acceptance of Site Permit Application
Minnkota Lund Substation and 230 kV HVTL
Lake of the Woods County, Minnesota
EQB Docket # 05-93-TR-Minnkota

ACTION REQUIRED: Signature of the Chair on a letter notifying Minnkota Power Cooperative that its application for a HVTL Route Permit is accepted. The date of the Chair's determination letter that an application is substantially complete marks the start of the schedule for the Board to make a final decision on the permit. Acceptance of the application allows staff to initiate the review requirements.

Attached is a letter for your signature notifying Minnkota of the chair's decision to accept the site permit application.

BACKGROUND: In late March, 2005, Minnkota submitted to the Minnesota Environmental Quality Board (MEQB) a route permit application regarding the 230 kV HVTL and the associated Lund Substation.

No Certificate of Need application was required due to the short length of the HVTL requested (2 one-half mile 230 kV segments)

Minnkota proposes to construct a 230 kV HVTL system, with a new substation and improvements to the existing 69 kV transmission network in Lake of the Woods County near Baudette, Minnesota. The proposed Lund substation facility will be located on a 4 acre site, currently under option by Minnkota. The HVTL project will require approximately one mile of new right of way along remote forest land near Baudette.



The area is currently served by an aged system of more than 110 miles of 69 kV lines in a widely dispersed transmission network. This project will reinforce the existing system at key points and increase overall electrical reliability with the lowest priced cost-effective solution. Upgrades to the substation and re-conductoring of transmission lines that near Baudette will be required. No change in voltage of the existing three 69 kV transmission lines is planned; therefore, no EQB HVTL routing permit would be required for these planned project improvements.

REVIEW PROCESS: In accordance with Minnesota Rules, part 4400.1250, subpart 1, within ten (10) days of receipt of an application for a site permit, the Chair shall determine whether the application is complete and notify the applicant in writing of the acceptance or rejection of the application.

The permit will be reviewed under the Alternative Review Process (Minn. Rules, part 4400.2000). As part of the permitting process, the EQB prepares an Environmental Assessment (EA) on the project and holds a public informational meeting. The EQB has up to six months from the time the application is accepted to complete the process and make a decision on the permit.

EQB staff expects this project to be placed on the EQB's agenda for a decision in October 2005.

STAFF RECOMMENDATION: The EQB staff has reviewed the Route Permit Application for compliance with the requirements of Minnesota Rules Chapter 4400. The Minnkota application provides the information required by the power plant siting rules. Therefore, EQB staff recommends that the chair of the Board accept the Minnkota application.